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ABSTRACT

Contemplation by the Illinois General Assembly of a new grant-in-aid system for school finance has suggested a review of educational finance in that state. Taxation maintaining support of public education since 1825 and the establishment of the first free schools are examined. The issue of local funding, the inequities caused by such funding due to the poor resources of some districts, and the steps taken by the General Assembly to correct that problem are investigated. The passage of the first state sales tax in an effort to save the schools during the depression of 1929 is covered, and the Resource Equalizer formula, calling for greater state aid to education and emphasizing reward for local effort and poverty impaction weighting for students, is examined. Developments such as legislative changes in the Resource Equalizer formula in 1976, changes in farm land assessment and poverty impaction weighting from 1977 to 1979, and the ending of the reward-for-local-effort experiment in 1980 are discussed. The 1984 proposal of the Resource Cost Model system of grant-in-aid, the 1985 educational reform bill, and the establishment in 1986 of various committees to review the grant-in-aid system are also examined. Thirteen notes and references conclude the monograph. (WTH)

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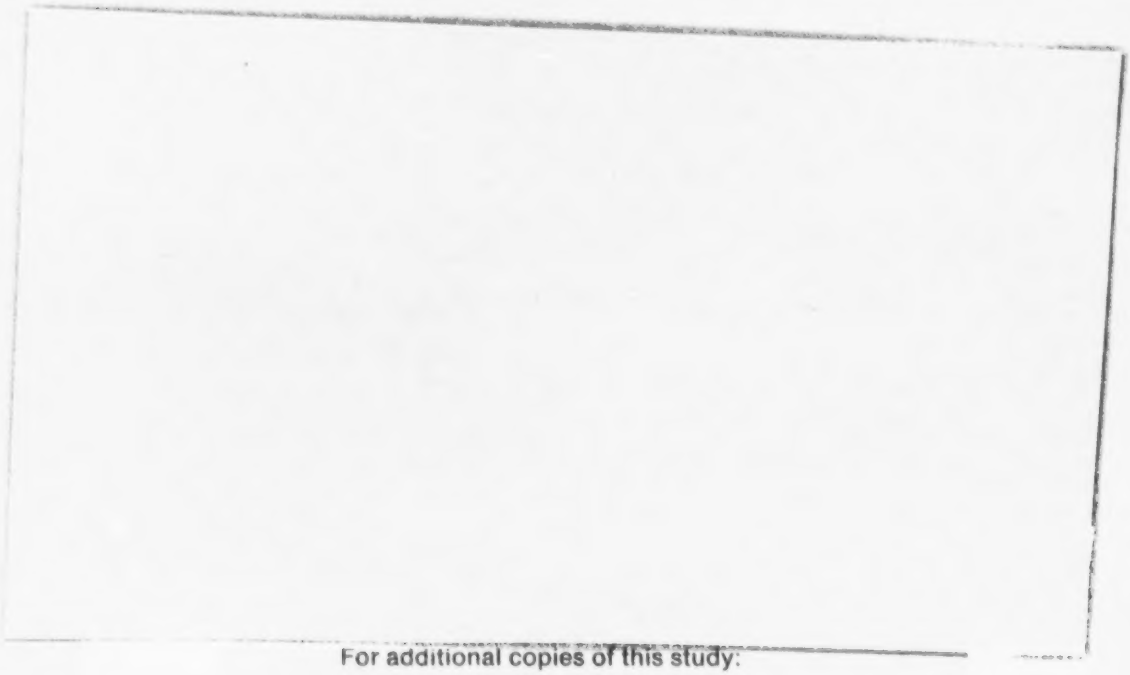

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A BRIEF HISTORY OF K-12 FINANCE IN ILLINOIS, OR, 162 YEARS IN SEARCH OF THE PERFECT FORMULA

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April, 1987

This series of monographs is dedicated to Professor Lucy Jen Huang Hickrod, late of the Sociology Department of Illinois State University. Illness has forever taken Professor Huang Hickrod from intellectual labors, but she remains an inspiration to her husband, her family and her many friends. Sic transit Gloria Mundi.

Educational administrators are not great students of history. Indeed, at times they appear to hold the Iron Chancellor's scornful view of the subject: "History is simply a piece of paper covered with print; the main thing is still to make history not to write it." On the whole that is probably admirable since it reveals an active aggressive posture toward administrative problems rather than a passive reflective stance. But one loses something in the process. Not only are we condemned to repeating history, since we do not know it, we are also limited in putting together new permutations and combinations, since we do not realize that the basic parts have already been tried before. Grier could well have been speaking of school finance when he said: "It is not at all likely that anyone may have ever had a totally original idea. He may have put together old ideas into a new combination, but the elements which made up the new combinations were mostly acquired from other people. Without many borrowed ideas there would be no inventions, new movements or anything else that is new." As the General Assembly contemplates a "new" grant-in-aid system for school finance, it would, therefore, seem that a backward glance is most in order.

Since educational administration eschews history, we did not really expect to find much by way of good historical treatments of either the broad field of educational administration or of the more specialized field of school finance as it relates to the single state of Illinois. However, we were agreeably surprised to find two volumes, one by Sheppard and one by Cook[1], that provided good background for this paper. In the event someone wishes to pick up the open challenge to do a good history of educational administration or educational finance in Illinois, Sheppard and Cook are the obvious places to start. This piece leans more heavily upon Sheppard than upon Cook.

For 162 years, the Sovereign State of Illinois has taxed for the purpose of supporting public education and has then redistributed the funds so collected to local authorities. The very first governor of Illinois, Shadrach Bond, stressed the importance of education as a responsibility of state government as well as a responsibility of local government. However, serious state support of education did not begin until 1825--January 25th to be exact--when the Illinois Legislature passed an "Act Providing for the Establishment of Free Schools." The act contained a fairly complete set of financial structures. Each county was mandated to maintain one or more "free" public schools. However, these schools were not so "free" in 1825, since local authorities could charge a tuition to parents of up to 50% of the costs to maintain the local schools. State aid for these local units was also established at this time and was to consist

of two percent of all funds received by the state treasurer plus interest from the "school fund." These state monies were then to be distributed in the form of an equal amount per person (what would now be called a "flat grant"). The "persons" were defined as "white inhabitants of each county under twenty-one years of age." Funding for school finance was not placed upon a really firm footing, however, until just before the Civil War. In 1855, the Legislature levied a property tax of twenty cents on the hundred dollar valuation and earmarked the funds for education. Local authorities were allowed to supplement this state property tax levy. The fact of the matter is that many of the newly-incorporated towns and cities had been doing that for a least three decades prior to 1855. Among the first towns to levy a local tax for education was Alton, Illinois, in 1821. Consequently, the first model of school finance to prevail in Illinois was a state-wide flat grant supplemented by local levies. One state in the union still retains that form of funding for K-12 schools--North Carolina. It is also clear from the amount of state funds involved that the major partner in this funding arrangement in the 1850's was the local and not the state government. This remains true until this very day, although Illinois almost attained a state majority share in 1976.

Such a heavy dependence upon local funding was bound to encourage inequalities in educational support among local school districts. Where local resources are the main support for K-12 education, rich districts will have considerably greater potential for superior educational services and poor districts will have less potential for superior educational services. In Illinois this problem had been recognized for sometime and explored in some detail by the staff of the then Illinois State Education Association.[2] In 1927, the General Assembly of Illinois enacted its first "equalization" formula to become effective in 1928. This formula established the principle of giving more state aid to poorer districts and less state aid to wealthier districts. This principle has prevailed to the present time. The specific grant-in-aid formula adopted was one pioneered by Professors Strayer and Haig of Teachers College, Columbia University, and later modified by Paul Mort of the same institution. It is referred to in the literature as the "Strayer-Haig-Mort" formula or the "foundation level system."[3] This first foundation level was computed either of two ways. It could be computed on a per student basis at $25 per student or it could be computed at $850 per teacher. From this foundation level the district was required to subtract a required local tax rate of $1.00 per hundred dollar valuation.

The great depression of 1929 hit school finance hard--as it did in all areas which relied upon state and local funding. Property taxes went unpaid, therefore, teachers went unpaid, and

many schools were forced to shorten both days and hours of service. The longest-serving state superintendent in the history of Illinois, Francis G. Blair, a Republican, pleaded with the Legislature to save the schools of Illinois and the Legislature responded by passing the first state sales tax in 1933. This relieved the property tax from the burden of supporting the schools. In time, in fact, the state went completely out of the property tax business, leaving this tax to the local government level. However, inequalities in funding still prevailed and, in 1938, the high schools were provided with an equalization formula of their own, since they had not been covered in the initial equalization act of 1928. Special purpose or "categorical" grants were introduced in 1938. The first such grant was given to transport students to and from public schools. Categorical grants for handicapped children followed in 1941.

One would expect the history of school finance to be characterized by periods of high activity followed by periods of relative complacency. After all, the General Assembly has a heavy load of public policy matters other than education to transact and cannot spend all of its time on educational matters. Also, the legislative life of the General Assembly is not buffered or shielded in any way from the forces that hit society from time to time; e.g., wars, depressions, recessions, reform waves, etc. After surviving the great depression and the second world war, the General Assembly did not make many changes in the collection and distribution of funds for K-12 schools until the late 1960's. While the distribution formula remained relatively unchanged during this period, the foundation level was increased steadily, thus requiring a constant flow of new state dollars into the distribution system.

Late in the administration of the Republican Governor, Richard Ogilvie, considerable dissatisfaction was evidenced with regard to the funding system. A part of this was the old problem of "equalization" now discussed under the rubric of "equity." To some extent it was a manifestation of general equity concerns in all of society which surfaced in the form of the "New Frontier" and "Great Society" programs of the Kennedy and Johnson administrations. Responding to these needs, the Illinois School Problems Commission started a systematic study of grant-in-aid systems under the direction of Professor Ben C. Hubbard, who was then the Research Director of the Commission, and his associate at Illinois State University, G. Alan Hickrod. These studies had been conducted on a relatively low-profile basis for approximately two years when a hallmark constitutional law decision Serrano v. Priest from California suddenly raised the utility value of these studies many percentage points. In 1972 and 1973, legal challenges to the education article of the Illinois Constitution, which never actually came until much later, were

confidently expected in Illinois. No less than three "blue ribbon" committees were established in the summer of 1973: one from the State Superintendent's office, one from the Governor's office, and a third from the General Assembly. Hubbard and Hickrod served on all three committees and this may account for the overlapping nature of the committees recommendations.[4]

In the summer of 1973, the legislature enacted what was to be known as the "Resource Equalizer" formula. Gene Hoffman, a Republican, was the principal author of the bill which, in its final stages of passage, was able to garner important Democratic support in the state senate. This legislation called for large increases in state aid to K-12 education which would not have been possible had the state not adopted the state income tax in 1969. The Resource Equalizer formula was also aided in the summer of 1973 by the availability of general revenue sharing money from the federal level. The distribution system, itself, broke with the 45-year-old tradition of "foundation" or "Strayer-Haig" grant-in-aid systems. Essentially, it went back to ideas advanced by Professor Harlan Updegraff of the University of Pennsylvania in the 1920's which had centered around the notion of "reward for local effort."[5] This notion had been brought into the newer Serrano context as "equal expenditure for equal effort" or "district power equalization" by Coons, Clune, and Sugarman.[6] At the center of the Resource Equalizer model was the principle that any two Illinois school districts which taxed at the same tax rate should have available to them equal dollars for the education of children. This notion--that tax rates should determine levels of support, but that resource levels, specifically property valuation levels, should not determine expenditure levels--had been an important part of the Serrano decision and all subsequent litigation in that vein. It is generally discussed in the literature as the principle of "wealth neutrality" or "fiscal neutrality" and also as "conditional wealth neutrality." Older literature sometimes discussed the same notion as a "local incentive" model. The major difference between this model and the Strayer-Haig model was that under the Resource Equalizer a district not only received more local funds from passing a local tax referendum, but it also received additional state funds for exerting that local tax effort, all other things remaining equal.

A second very important part of the Resource Equalizer system was the poverty impaction weighting for students. Reward for effort was popular with suburban school districts but not supported by legislators from the large city school systems. The reason was simple enough: while general tax rates were high in large cities the need for non-educational spending had kept educational tax rates depressed. Therefore, large cities would not benefit from any "reward for effort" system that sent state

money into districts with high tax rates. However, these same cities and some southern rural areas were interested in funds to service their high concentrations of poverty children. At the time of the introduction of the poverty weighting (called the Title I Weighted Average Daily Attendance or TWADA), the weightings were supported by a rationale of higher costs to education these types of students. Interestingly enough, very little, if any, empirical evidence was introduced to support the allegation of higher cost to education these poverty students. However, sociological evidence from California bearing on the effect of poverty concentrations on test scores was introduced. Only very recently has evidence been available in Illinois to show that same depressing effect of poverty concentration on test scores.[7] However, the General Assembly accepted the thesis of the Resource Equalizer advocates that poverty concentration both raised costs and depressed output; and that, as a consequence, students in high-poverty-concentration districts did, indeed, need more state aid.

There are two good studies of the passage of the Resource Equalizer formula, and readers interested in details are directed to these studies.[8] One interpretation is that the Resource Equalizer formula was a triumph of regional politics over party politics. The suburban districts and the large cities were able to agree upon an allocation formula that benefited both. Rural districts were, in the main, left out of the "grand compromise" and were never very pleased with the structure of the Resource Equalizer formula.

The legislative results of the summer of 1973 were not very neat. In effect, Illinois retained a "dual" grant-in-aid system which allowed districts to take advantage of either the Strayer-Haig system or the new Resource Equalizer system. This decision occurred in part because the State Superintendent's office, then held by the Democrats, did not wish to go along with the Resource Equalizer formula put forward by the Illinois School Problems Commission which it believed to be Republican dominated. In addition, there were genuine educational concerns on the part of the Superintendent's office which centered around just what kind of district would be able to benefit from the "reward for effort" notion. It was admittedly a complicated formula since, in addition to its two-headed nature, the old legislation (never repealed) contained also an alternate method and a flat grant, either one of which could be used to calculate general state aid. For seven years in Illinois it was possible for a district to be able to calculate its general state aid under no less than four approaches: flat grant, alternate method, foundation level, and the new Resource Equalizer.

In a brief historical note such as this, there is no way to indicate all of the yearly changes in the general grant-in-aid system. For the first three years of the Resource Equalizer formula, no changes were made in the system. However, in 1976, a series of legislative changes began which by 1980 would modify the Resource Equalizer formula considerably. Among the more important changes were the repeal of the tax roll-back provisions in the original formula. This provision of the new legislation had never really worked due to "escape" provisions in the law; and in 1976, those roll-back provisions were repealed outright. The roll-back provisions are interesting in that they were an attempt to provide actual property tax relief to school districts, but, as it turned out, the districts did not want them.

In 1977, Illinois farm land assessment was changed from a "market value" approach to a "use value" approach. The collapse of farm prices on the world market caused a number of rural districts to become much less dependent on local resources and more dependent upon state resources. In fact, controls have been enacted since that time to prevent the local valuations from slipping too much. In 1979, replacement funds were provided by the state for the withdrawal of corporate personal property valuations from the tax rolls of the state. Adjustments were made in that year and in other years to the poverty impaction weighting in the state-aid formula with the effect of withdrawing funds from heavily poverty impacted districts and distributing those funds to districts with more "average" poverty impaction.

In 1980, the most important changes since 1973 were made to the grant-in-aid formula. The changes were largely orchestrated by the Illinois School Problems Commission and by its then Research Director, Ben Hubbard, and by the man who would become the new Executive Director, David Elder. In that year, after having existed in full form for four years and in a partial form for three more years, the Illinois experiment with "reward for local effort" ended for all practical purposes. Although the formula remained in algebraic form an "equal yield for equal effort" approach, it no longer responded to changes in passing referenda. It is interesting to speculate why Illinois ended its experiment with reward for effort in 1980. One reason advanced is that many legislators no longer wanted to support any formula which would encourage local school districts to raise their local tax rates with the passage of time. That is, the stimulation effect in the formula could no longer be reconciled with desire for property tax relief. No doubt this was a major concern to farm organizations.

Second, some proponents of equity goals were concerned over the tendency of richer districts to pass referenda and therefore be rewarded by the state while the poorer districts had no such

luck with their referenda and did not receive additional state funds. "Reward for effort" was seen as anti-equalization or anti-equity. Finally, the problem of "unequal access," or alleged and real advantages of high school districts over units and elementaries seemingly could be solved only by rendering defunct the "reward for effort" aspects of the formula. It is instructive to note that no attempt was made in 1980 to remove the "poverty impaction" of 1973. Only the "reward for effort" aspect of the formula was changed. A new type of flat grant and a new alternative method were adopted in 1980. Both of these calculations favored richer districts as had, indeed, the older flat grant and the older alternative method. Actually, "reward for effort" was phased out over a three year period from 1979 to 1982.

By 1982, the formula became essentially a foundation approach again with one important difference: the tax rate, required in the classical foundation approach, was not a mandated tax rate. The changes of 1980 caused the tax rate in the Illinois formula to become merely a "computational" or "calculated" rate; no district was penalized for failure to tax at this computational rate. There are some anomalies that result from this substitution of a computational rate for a mandated rate: some districts have a higher tax rate charged against them in the formula than they actually tax. At the present time, the tax rate in the present formula largely floats free; e.g., it is not a minimum tax rate nor a maximum tax rate. Nor does it have any necessary relationship to the foundation level. In fact, it does not seem to have any theoretical underpinnings at all; it is simply another parameter for distributing state funds.

Much attention in recent months has centered on the tax rate component of the formula and especially toward trying to determine what that rate should be for unit, elementary and high school districts. In a classic Strayer-Haig approach, the rate is set as the tax rate that will raise the foundation level in the wealthiest district in the state. Since that has usually proven to be very low and hence the state dollars needed in the formula very high, some district other than the wealthiest is usually chosen, frequently the district at the 90th percentile. That approach could again be used in Illinois, but if it is used, then the elementary rate and the high school rate will not necessarily add up to the unit rate. A point often missed is that the grant-in-aid formulas in Illinois have never attempted equity between unit and dual districts. They merely have attempted equity between rich and poor districts within district organizational type.

In 1984, Superintendent Donald Gill proposed the Resource Cost Model (RCM) to the Legislature. The RCM is a major departure from all known general grant-in-aid systems. It has been

rightly called the first revolutionary idea in school finance since the 1920's. Its authors and major proponents are Jay C. Chambers and Thomas B. Parrish.[9] In Illinois the work on the RCM was directed by Dr. Suzanne Langston. The RCM has been recommended in a number of states, but, as of this writing, it has not been adopted in any state. The fundamental assumption behind the RCM is that a unique "expected" support level can be determined for each and every district in the state; therefore, no "foundation level" is needed. Each district has its own "foundation level." Many believe that the RCM is the most direct attack on the notion of "adequacy" that can be made. Its weakness appears to lie in the relatively complicated fashion in which an "adequate" support level is calculated for each and every district in the state. The RCM also placed, or at least seemed to place, the control of the allocations beyond the power of the legislature to manipulate and into the hands of the state education department. A number of observers have questioned whether state legislators are willing to transfer that much control from the legislature to the executive branch of government. For whatever reasons, the RCM was withdrawn from consideration by the state department in 1985.

The year for major reform for Illinois K-12 education was 1985. An omnibus bill constructed by a special committee of the legislature and steered to passage by Senator Arthur Berman (a Democrat), with considerable support from Senator John Maitland (a Republican), was based on the principle of categorical funding. The reform deliberately set aside the general aid bill for later consideration and a provision was added that the general aid bill would expire on August 1, 1987. The educational reform bill of 1985 is very important in the present fiscal context. In a very real sense, it constitutes a prior claim on the available dollars to finance reform of the general aid bill. The Legislature has indicated that it intends to live up to its promises made in the reform bill and, therefore, the dollars necessary to carry out these reforms are not to be available for any reform of the general grant-in-aid system. Taken together with the already existing categorical grants, the Illinois system of K-12 funding is now heavily categorical in nature. Some will applaud that situation and some will not. The argument for categorical aid is that it is one way of making sure that the funds appropriated by the legislature are spent on things the legislature intends to have happen. The argument against it is that the funding system gets broken into so many small pockets that no overall picture can be ascertained about where the funds are, or are not, going. There are also serious equity questions about categoricals. Some categoricals seem to promote equity goals, but some do not. The result is often a wash in which equity goals as well as other goals are lost.

Late in 1985, an important external study was completed by Professor Allan Odden of UCLA.[10] Professor Odden recommended that an internal research unit be established within the State Board staff to carry out simulations of grant-in-aid systems. This recommendation was promptly executed by Superintendent Sanders. The unit is currently headed by Dr. William Hinrichs.

The year 1986 was spent in the organization of various committees to review again the general purpose grant-in-aid system. The newly-created Citizen's Council on School Problems, a successor to the Illinois School Problems Commission, held hearings throughout the State on the strengths and weaknesses of the present general purpose funding system. The State Board of Education created a number of advisory committees dealing directly and indirectly with the formula. The Illinois School Board Association and the Illinois Association of School Administrators created a joint committee to study the funding system. In the summer of 1986, the MacArthur and Spencer Foundations of Chicago announced the funding of a five year project at the Center for the Study of Educational Finance at Illinois State University to study "equity, adequacy, and efficiency" in Illinois School Finance. A condition of the grant was that information generated by the study would be made available to the Citizens Council and to other interested public policy bodies.

As of early 1987, no interested party had yet put forward a detailed proposal for specific change. However, "shell bills" had been introduced and the Citizens Council has undertaken the consideration of one model proposed by Representative Hoffman. Meanwhile, the Illinois Board of Education, under Dr. Hinrichs' direction, has simulated a number of "multiple tier" models some of which would re-introduce the notion of "reward for effort" which was abandoned in 1980. There is general concern that the August 1, 1987, deadline may arrive too early to give full scope for the debate over formula revision. Also, there is the ever present concern that not enough funds will be available to undertake meaningful formula reform. Consensus currently holds that between $200 million and $400 million <u>new</u> dollars are needed for general grant-in-aid reform. The Governor's proposed FY88 budget would provide less than $100 million in new dollars for this purpose.

Not much can be learned from a gallop through the countryside--which is about all this little piece is--but certain landmarks do stand out. First, like all legislative bodies, the Illinois legislature responds to external pressure. It reacts; it seldom acts. In the years preceding the Civil War, it reacted to the opening up of a new territory and the need to establish public schools in the first place. There were then strong voices in the land and the likes of Caleb Mills and Horace Mann were

heard and understood. It reacted in the great depression when it appeared that public education might be lost. It reacted in the late 1960s and early 1970s when inequities, long known, but shadowed in darkness, were suddenly revealed by the strong light of constitutional litigation. In a less dramatic sense, it reacted in 1980 when the complexities of the preceding seven years demanded a simpler and more streamlined grant-in-aid system. In 1985, it reacted to national reports of weaknesses in the public school system and to the possibility of weaknesses in the economic system as a result of school problems. One wonders if the public school children of Illinois will ever know just how much they owe to the presence of the Russians in the past and the Japanese in more recent times.

The above should not imply that things are perfect in Illinois school finance. To the contrary, as recent evaluations of the grant-in-aid system make clear, there is much to be achieved in K-12 funding. Evaluations of the school funding system in Illinois have taken primarily two forms. The first form of evaluation is one in which the principal goals of the Illinois school finance system are reduced to operational definitions and measurements are taken based upon those definitions. This is the approach utilized by the Center for the Study of Educational Finance at Illinois State University. The Center's "monitoring" series measures the goal of "equity" in Illinois school finance by various statistical approaches.[11] That research approach is currently being expanded with MacArthur Foundation and Spencer Foundation support to include "adequacy" and "efficiency." On the whole, the Center's equity investigations have shown that the State of Illinois moved toward the equity goals from 1973 to 1976 or 1977; then it retreated from equity goals until just the last two or three years, when, again, some modest progress was made toward these equity goals. Not all of the Center's time series show this recent improvement. However, enough do, so that a cubic function with two inflection points seems to model the Illinois history of attempts to achieve equity in the state. Essentially, the data support the notion of progress toward, retreat from, and modest progress again, relative to the attainment of equity goals in Illinois. The limited amount of data on "adequacy" suggests this same type of "wave" may exist down through Illinois history.

The second approach to K-12 grant-in-aid evaluation is nonquantitative. It is primarily a statement of principles which can then act as a "checklist" against which the current grant-in-aid system can be evaluated. Two of these statements of principle have recently been issued in Illinois. One by the joint committee of the Illinois School Board Association and Illinois Educational Administration Association, and a second by the Illinois State Board of Education.[12] Both of these approaches to

goal evaluation are needed. The quantitative approach used by the Center is more exact and appeals more to academics. However, there remain considerable problems with translating even simple statistical techniques into terms that judges, legislators and lawyers can readily understand.[13] Here the "checklist" approach is a useful supplement to the statistical approach. The point is simply that when either the quantitative or the checklist approach is used, it is apparent that Illinois is a long way from attaining goals such as "equity, adequacy, and efficiency." Since these are "perfect" states of being, it should come as no surprise to the reader to hear that we have not attained such an ethereal existence in this too imperfect world.

All of this does not bode particularly well for sweeping grant-in-aid reform in the immediate future. The maxim, "if it isn't broken, don't fix it" is one the General Assembly knows very well, and at least these authors can sense at this time no strong external force claiming that the system is broken and that it is in need of major repair. The General Assembly is also very much aware that major repairs cost major money and minor repairs cost minor money. It is true that Governor Thompson has launched a major tax enhancement proposal, but education is only a partial beneficiary of that package--at least as far as can be ascertained by the Governor's budget message in early 1987.

History is not a crystal ball. All History can really do is to keep one from stumbling down the same old paths in some blind unreasoning manner. Also, like works of art, the good things survive and the works of less quality are cast by the wayside. History can help one decide what to keep and what not to keep. For example, "Reward for Effort" did not survive in Illinois and perhaps one ought to think twice before building it back into the system. On the other hand, the poverty impaction did survive, and, while it is replete with measurement and administration problems, perhaps its very survival indicates something important. School finance is also much like a diamond. Going over the gem reveals new facets not always appreciated. For example, the problems of equity BETWEEN and not AMONG organizational types in Illinois (such as dual vs. unit districts), seem much more glaring now than they did in the past. Granted they were always known, but perhaps not appreciated as much in the past as they are at present.

The art analogy is one upon which we will end. In a very real sense, school finance is an art and not a science. Although statistical evaluation techniques can be applied and indeed are applied here at the Center for the Study of Educational Finance, one often gets the distinct feeling that one is working on a painting that is really never "finished." One thing is clear: despite 162 years of searching, we never found in Illinois a

"perfect" formula. By definition, no work of art can ever be "perfect." One just quits at some point and says, "Well, this is what we have to offer. It will do this, but it will not do that." Since man is imperfect, all his creations are imperfect, including especially his creations in school finance. Perhaps Earl Warren was right after all: "The only thing we learn from history is that we do not learn."

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11. The last published report in the "monitoring" series was Hickrod, G. Alan, Ramesh Chaudhari, and Benjamin C. Hubbard. Decline and Fall of School Finance Reform in Illinois, 1985, Center for the Study of Educational Finance, Illinois State University, Normal, IL 61761. However, a new publication in that series is in progress and should be available from the Center for the Study of Educational Finance by the summer of 1987. It has been now slightly over a quarter of a century since descriptive and inferential statistics have been routinely used to evaluate state school finance systems. It is acknowledged by most that the seminal publication in this area was H. Thomas James, School Revenue Systems in Five States, 1961, Stanford University. Statistical analysis came to Illinois in 1972 with the publication of Definition, Measurement, and Application of the Concept of Equalization in School Finance, by Hickrod, Chaudhari, and Tcheng, State Board of Education, and it has been used extensively in all publications of the Center for the Study of Educational Finance at Illinois State University. The mandatory citation in this area at present is Berne, Robert and Leanna Stiefel, A Methodological Assessment of Educational Equality and Wealth Neutrality Measures, Graduate School of Public Administration, New York University, 1978.

12. See Legislative Report, Bulletin #252, Illinois Association of School Boards, January 1987; also, Sanders, Ted, School Finance Principles, March 1987, State Board of Education.

13. For a detailed account of communication problems in the area, see DeGroot, Fienberg and Kadane, Statistics and the Law, 1986, John Wiley and Sons, Inc.